



Spruce Beetle and Sudden Aspen Decline Management Response

Basic Science and Analysis Assumptions: *Socioeconomics*

Guiding Issues and Goals

Issue 3: Expanded Treatments beyond proposed action and Socioeconomic Support of Local Communities

Specifically, comments proposed that the project should “analyze the socioeconomics of proposed commercial timber sales concerning cost/benefits to local economies and reforestation; and analyze timber sale contract provisions that hamper efficient wood products production.” The costs and benefits of potential timber sales and restoration activities will be analyzed in the Socioeconomic report, in addition to the non-market benefits of reforestation and ecosystem services. Direct, indirect and induced employment and income effects, from potential timber sales and restoration activities/ will also be analyzed. The report will also discuss the timber market and anticipated utilization under current timber sale contract provisions.

Issue 4: Treat Only for Health and Safety Purposes

The Socioeconomic report will briefly and qualitatively address effects to quality of life from human health and safety concerns associated with the SBEADMR restoration activities.

The goals for the economic analysis are to analyze efficiency of the alternatives, in order to examine net benefits to the local communities affected by the management activities of the SBEADMR. These benefits include improved human health and safety, non-market values of restoration and ecosystem services. The Socioeconomic report will also illustrate the effects, in terms of employment and income (direct, indirect and induced) to local communities affected by the alternatives.

Overarching Assumptions

The GMUG lies within Delta, Garfield, Gunnison, Hinsdale, Mesa, Montrose, Ouray, Saguache, San Juan, and San Miguel counties. However, the SBEADMR project area is expected to impact a wider region based on the location of commercial harvesting and processing. The analysis area was chosen based on the location of contractors for processing forest products and materials. In addition to the GMUG counties listed above, counties with social and economic connections to this project include Archuleta, Chaffee, Dolores, Eagle, Fremont, La Plata, Lake, Mineral, Montezuma, Pitkin, Rio Grande, and Summit counties.

The expected effects are based on timber market and restoration activities (with limited effects to recreation and grazing) over a 10 year lifespan of the project.

Methods – Analysis Approach

The first section of the Economic analysis will explain the affected environment (population, demographics, income, employment and issues). The second part will address the consequences of project activities related to the alternatives, including the financial efficiency, economic impacts and non-market values.

Indicators used in the analysis of economic effects include Present Net Value (PNV) in the financial efficiency analysis and jobs and labor income in the economic impact analysis. Financial efficiency is calculated as benefits minus costs of the action. Benefits from the project are revenues generated from timber sales. Costs are based on timber sales, restoration activities, and road construction and maintenance. Analysis of non-market values covers benefits and costs not associated with market transactions.

Economic impacts to the analysis area identified above, in terms of employment and labor income, associated with the SBEADMR project activities (timber harvest and restoration activities) are estimated with the IMPLAN input-output model. The data used to estimate the direct effects from the timber harvest and processing were provided by the University of Montana's Bureau of Business and Economic Research and are specific to the region analyzed.

Environmental justice will be addressed in the social analysis subsection.